

FINANCING OF EDUCATIONAL EXCHANGE PROGRAM

*Agreement and exchange of notes signed at Cairo November 3, 1949
Entered into force November 3, 1949
Superseded by agreement of September 28, 1959¹*

64 Stat. (3) B112; Treaties and Other
International Acts Series 2039

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF EGYPT FOR FINANCING CERTAIN EDUCATIONAL EXCHANGE PROGRAMS

The Government of the United States of America and the Government of Egypt;

Desiring to promote further mutual understanding between the peoples of the United States of America and Egypt by a wider exchange of knowledge and professional talents;

Considering that the Secretary of State of the United States of America may enter into an agreement for financing certain educational exchange programs from currencies acquired pursuant to the letter dated June 15, 1946 from the Minister of Foreign Affairs of Egypt to the Central Field Foreign Liquidation Commissioner of the Department of State of the United States of America (hereinafter referred to as "the letter");

Have agreed as follows:

ARTICLE 1

There shall be established a foundation to be known as the United States Educational Foundation for Egypt (hereinafter designated "the Foundation") which shall be recognized by the Government of the United States of America and the Government of Egypt as an organization created and established to facilitate the administration of the educational program to be financed by funds made available in accordance with the terms of this agreement. Except as provided in Article 3 hereof the Foundation shall be exempt from the domestic and local laws of the United States of America as they relate to the use and expenditure of currencies and credits for currencies for the purposes set forth in the present agreement. The funds shall be regarded in Egypt as the property of a foreign government.

¹ 10 UST 1735; TIAS 4327.

The funds made available under the present agreement within the conditions and limitations hereinafter set forth, shall be placed at the disposal of the Foundation for the purposes, as set forth in Section 32(b) of the United States Surplus Property Act of 1944,² as amended of

(1) financing studies, research, instruction, and other educational activities of or for citizens of the United States of America in schools and institutions of higher learning located in Egypt or of the citizens of Egypt in United States schools and institutions of higher learning located outside the continental United States, Hawaii, Alaska (including the Aleutian Islands), Puerto Rico, and the Virgin Islands, including payment for transportation, tuition, maintenance, and other expenses incident to scholastic activities; or

(2) furnishing transportation for citizens of Egypt who desire to attend United States schools and institutions of higher learning in the continental United States, Hawaii, Alaska (including the Aleutian Islands), Puerto Rico, and the Virgin Islands and whose attendance will not deprive citizens of the United States of America of an opportunity to attend such schools and institutions.

ARTICLE 2

In furtherance of the aforementioned purposes, the Foundation may, subject to the provisions of the present agreement, exercise all powers necessary to the carrying out of the purposes of this agreement including the following:

(1) Plan, adopt, and carry out programs in accordance with the purposes of Section 32(b) of the United States Surplus Property Act of 1944, as amended, and the purposes of this agreement.

(2) Recommend to the Board of Foreign Scholarships, provided for in the United States Surplus Property Act of 1944, as amended, students, professors, research scholars, resident in Egypt, and institutions of Egypt qualified to participate in the program in accordance with the aforesaid Act.

(3) Recommend to the aforesaid Board of Foreign Scholarships such qualifications for the selection of participants in the programs as it may deem necessary for achieving the purpose and objectives of this agreement.

(4) Authorize the Treasurer of the Foundation or such other person as the Foundation may designate to receive funds to be deposited in bank accounts in the name of the Treasurer of the Foundation or such other person as may be designated. The appointment of the Treasurer or such designee shall be approved by the Secretary of State and he shall deposit funds received in a depository or depositories designated by the Secretary of State.

(5) Subject to the conditions and limitations as set forth herein, authorize the disbursement of funds and making of grants and advances of funds for the authorized purposes of this agreement.

² 58 Stat. 765.

(6) Provide for periodic audits of the accounts of the Treasurer of the Foundation as directed by auditors selected by the Secretary of State of the United States of America.

(7) Engage an Executive Officer, administrative and clerical staff and fix the salaries and wages thereof out of funds made available.

ARTICLE 3

All obligations, commitments and expenditures authorized by the Foundation shall be made pursuant to an annual budget to be approved by the Secretary of State of the United States of America pursuant to such regulations as he may prescribe.

ARTICLE 4

The management and direction of the affairs of the Foundation shall be vested in a Board of Directors consisting of eight directors (hereafter designated "the Board"), four of whom shall be citizens of the United States of America and four of whom shall be citizens of Egypt. In addition, the principal officer in charge of the Diplomatic Mission of the United States of America to Egypt (hereinafter designated "Chief of Mission") and the Egyptian Minister of Education (hereinafter designated "Minister of Education") shall be jointly Honorary Chairmen of the Board. The Chief of Mission shall have the power of appointment and removal of the United States citizens on the Board, at least two of whom shall be officers of the United States Foreign Service establishment in Egypt. The Minister of Education shall have the power of appointment and removal of the Egyptian citizens on the Board. A Chairman with voting power shall be selected by the Board from among its members.

The members shall serve from the time of their appointment until the following December 31 and shall be eligible for reappointment. Vacancies by reason of resignation, transfer of residence outside Egypt, expiration of term of service or otherwise shall be filled in accordance with this procedure. The members shall serve without compensation, but the Board may authorize the payment of the necessary expenses of the members in attending the meetings of the Board and in performing other official duties assigned by the Board.

ARTICLE 5

The Board shall adopt such by-laws and appoint such committees as it shall deem necessary for the conduct of the affairs of the Foundation.

ARTICLE 6

Reports shall be made annually on the activities of the Foundation to the Secretary of State of the United States of America and the Government of Egypt.

ARTICLE 7

The principal office of the Board shall be in the capital city of Egypt, but meetings of the Board and any of its committees may be held in such other places as the Board may from time to time determine, and the activities of any of the officers or staff of the Establishment may be carried on at such places as may be approved by the Board.

ARTICLE 8

The Secretary of State of the United States of America will make available for expenditure as authorized by the Foundation currency of the Government of Egypt in an amount not to exceed the equivalent of \$400,000 (United States currency) during any single calendar year from Egyptian currency held in the account of the Treasurer of the United States and available for purposes of this agreement in accordance with United States law. Such amounts made available shall not be in excess of the budgetary limitation established pursuant to Article 3 of the present agreement.

ARTICLE 9

The Government of the United States of America and the Government of Egypt shall make every effort to facilitate the exchange of persons programs authorized in this agreement and to resolve problems which may arise in the operations thereof.

ARTICLE 10

Wherever, in the present agreement, the term "Secretary of State of the United States of America" is used, it shall be understood to mean the Secretary of State of the United States of America or any officer or employee of the Government of the United States of America designated by him to act in his behalf.

ARTICLE 11

The present agreement may be amended by the exchange of diplomatic notes between the Government of the United States of America and the Government of Egypt.

ARTICLE 12

The present agreement shall come into force upon the date of signature.

IN WITNESS WHEREOF the undersigned, being duly authorized thereto by their respective Governments, have signed the present agreement.

DONE at Cairo in duplicate, in the English and French languages, this third day of November, 1949.

For the Government of the United States of America:

JEFFERSON CAFFERY [SEAL]

For the Government of Egypt:

H. SIRRY [SEAL]

EXCHANGE OF NOTES

*The American Ambassador to the Minister of Foreign Affairs*AMERICAN EMBASSY
CAIRO, EGYPT, November 3, 1949

EXCELLENCY:

I have the honor to refer to the Agreement signed this third day of November, 1949, for financing certain educational exchange programs and promoting improved cultural relationships between our two countries.

I understand that the omission of a tax article from the initial draft does not prejudice the right of the United States to reopen discussion on this point in the light of experience and the effect of taxation on the operation of the program.

I should appreciate it if I might be informed of the concurrence of Your Excellency's Government in the understanding above set forth.

Please accept, Excellency, the renewed assurance of my highest consideration.

JEFFERSON CAFFERY

His Excellency
HUSSEIN SIRRY Pasha
Minister of Foreign Affairs
Cairo

The Minister of Foreign Affairs to the American Ambassador

[TRANSLATION]

MINISTRY OF FOREIGN AFFAIRS
Press Department

CAIRO, November 3, 1949

MR. AMBASSADOR:

By a letter of this date, Your Excellency has been good enough to point out that, according to the point of view of your Government, the omission of a tax article from the initial draft of the Cultural Agreement, which was signed today, for financing certain educational exchange programs and promoting improved cultural relationships between our two countries, does not prejudice the right of the United States to reopen discussion on this point in the light of experience and the effect of taxation on the operation of the program.

I have the honor to acknowledge to Your Excellency receipt of this com-

munication concerning which I am pleased to confirm to you the complete agreement of the Egyptian Government.

Accept, Mr. Ambassador, the assurances of my very high consideration.

H. SIRRY

Minister of Foreign Affairs

His Excellency

JEFFERSON CAFFERY

Ambassador of the United States of America

Cairo